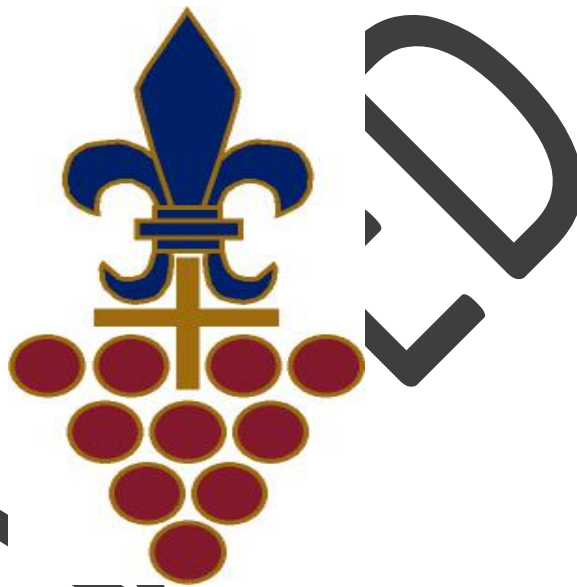


## **APPENDIX 9**

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# **STELLENBOSCH MUNICIPALITY**



## **TRAVEL AND SUBSISTENCY POLICY**

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**2017/2018**

**REVISED**



# STELLENBOSCH MUNICIPALITY

## TRAVEL AND SUBSISTENCE POLICY

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## **1. OBJECTIVE**

It is essential that representatives of this municipality from time to time travel in order to establish and maintain links and relationships with other municipalities, government bodies, and other parties, institutions and organizations operating in the sphere of local government. It should also be read together with paragraph 2 of MFMA Circular 82 of 30 March 2016 as far as it is applicable to travel and subsistence issues.

This policy sets out the basis for the payment of a subsistence travel allowance, hourly rate when applicable and for the purpose of such official traveling.

## **2. TRAVEL**

### **2.1 *Responsibilities of Representatives who travel on Business of the Municipality***

- a) Every representative who travels on the business of the municipality must comply with this policy in letter and in spirit.
- b) Representatives who travel on the business of the municipality must take note that their actions, conduct and statements must be in the best interest of the municipality, and they must comply with any specific mandates they have been given.

### **2.2 Car Rental, Travel Costs and rates**

- a) Only "A" or "B" category vehicles may be rented, unless it is more cost-effective to hire any other category (for example, when the number of representatives involved could justify the hire of a micro-bus).
- b) Car rental must be approved as part of the travel package before the trip is embarked on. A representative who rents a vehicle whilst traveling on the business of the municipality without having received prior authorization will only be reimbursed for the cost of the vehicle rental if proof of expenditure can be produced and the representative can demonstrate that vehicle rental was reasonably but unexpectedly necessitated by the circumstances.
- c) All flights by representatives of the municipality shall be in economy class, unless another class of travel is specifically authorized by-

- (i) the executive committee, with regard to Holders of Public Office and the Municipal Manager, or
  - (ii) the Municipal Manager, with regard to officials and applicants for interviews.
- d) Parking and toll fee – actual cost will be reimbursed via Petty Cash after the submission of proof.
- e) If a representative has to utilize his or her personal motor vehicle he or she will be reimbursed at:
  - i) Holders of Public Office:  
As per circulars from Minister at Local Government
  - ii) Officials with vehicle/car allowance:
    - A flat rate of R4.00 per kilometre for motor vehicles,
    - A flat rate of R2.00 per kilometre for motor cycles.
  - iii) Officials who are in receipt of an Essential User Transportation Allowance will be reimbursed according to the official Cost Tables of the “Essential User Scheme: Transport Allowance” circulars of SALGBC applicable.
  - iv) Officials without a car allowance and Members of a Committee: established in terms of applicable legislation, as per the SARS Guide for employers in respect of allowances. The distance to which the reimbursement applies, must be the shortest distance between the municipality’s offices and the location where the official business is to be transacted. If the total number of kilometers for which such reimbursement is received exceeds 8 000 in any tax year, reimbursement for the excess kilometers over 8 000 must be taxed for PAYE purposes. If the cost exceeds that of an air ticket, the lesser amount will be paid.

The number of employees travelling to conferences or meetings on official duty for the same matter is limited to three (3) employees, unless otherwise approved in advance by the relevant accounting officer.

- f) Similar to the above, the number of employees travelling by air to other centres to attend an official engagement on the same matter is also limited to three (3) employees, unless otherwise approved in advance by the relevant accounting officer

- g) For the purpose of this policy, domestic travel shall mean travel within South Africa, and international travel shall mean travel to any country other than South Africa.
- h) The Accounting Officer will when appropriate determine an hourly rate for the different committees serving Council.
- i) Notwithstanding the above provisions, all employees must make use of shuttle services if the cost of such services is below the cost of hiring a vehicle.

### **3. SUBSISTENCE**

#### **3.1 Subsistence Allowance**

A daily subsistence allowance is an amount of money paid by the municipality to a representative to cover the following expenses-

- a) meals (including reasonable gratuities);
- b) Incidental cost such as refreshments, snacks, drinks, telephone and newspapers.

A subsistence allowance does not cover any personal recreation, such as visits to a cinema, theatre or nightclubs, or sightseeing. No further expenses may be claimed.

#### **3.2 Entitlement to a Subsistence Allowance**

- a) A representative may claim a daily subsistence allowance as provided in this policy with the understanding that all authorized personal expenses are covered by the subsistence allowance. No further expenses, with the exception of certain business expenses (see below), may be claimed.
- b) A daily subsistence allowance will only be applicable where-
  - (i) official business unavoidably entails one or more nights to be spent away from home, or
  - (ii) Where the representative will be on official business for a period exceeding 12 hours, without being away from home for one or more nights.
- c) A representative of the municipality must claim his or her subsistence allowance, as provided in this policy before embarking on any official trip, with the exception where such claim reaches the creditors section at least three days before the trip; in which case such

claim must be submitted after the event. Such a claim must be accompanied by details of the conference or workshop or emailed/faxed invitation.

- d) No subsistence allowance will be paid, and no representative will be entitled to a subsistence allowance, if the trip or travel is not related to the official business of the municipality. All travel on business of the municipality must be approved as such before a representative is entitled to a subsistence allowance.
- e) For the purpose of a subsistence allowance, a representative shall mean-
- (i) mayor or executive mayor, as the case may be
  - (ii) deputy-mayor
  - (iii) speaker
  - (iv) members of the executive committee or mayoral committee, as the case may be
  - (v) other councillors specifically authorized to represent the municipality on a particular occasion
  - (vi) municipal manager
  - (vii) directors
  - (viii) any other official/representative specifically authorized to represent the municipality on a particular occasion
  - (ix) any official or councilor who is a member of a recognized professional institution and is granted permission to attend meetings and conferences of such institution.

- f) A subsistence allowance of:

an amount equivalent to R397.00 per day .

**Comment [A1]:** In line with SARS

- g) The subsistence allowance of international travel will be the lesser of:

- (i) an amount equivalent to the rates as determined by the SARS , at the beginning of 1 July every year.

**Or**

- (ii) US\$190 per day where the exchange rate of ZAR is more than 5:1 in relation to the currency of the destination country; and
- (iii) US\$100 per day where the exchange rate of ZAR is less than, or equal to 5:1 in relation to the currency of the destination country;

## **4. ACCOMMODATION**

### **4.1 Accommodation Costs**

- a) Representatives who travel on the business of the municipality, where the business unavoidably entails one or more nights to be spent away from home, may stay in a hotel, motel, guesthouse or bed and breakfast establishment.
- b) The actual cost of accommodation will be borne by the municipality, subject to a maximum of 3- to 4 star rating for the accommodation itself in respect of domestic travel. Where such accommodation is available, the rate for a single room will be payable.
- c) If no such accommodation is available, higher rating accommodation can be used subject to the prior approval of the Municipal Manager.
- d) If a representative stays with a relative or friend, no accommodation allowance may be claimed, but the representative may claim a subsistence allowance of R353.00 per day.
- e) The recoverable cost of accommodation for international travel may not exceed US\$350 per day.
- f) The municipality will at all times firstly consider accommodation where the National Treasury has negotiated discounts for rates as per MFMA circular 82. In the absence of such accommodation or failure to secure space, only then will the municipality consider accommodation outside the "NT negotiated accommodation".
- g) Withstanding the provisions of 4 (1)(c ), the procurement of all accommodation services will be subjected to the municipality's SCM policy and preferential procurement policy.

## **5. TRAVEL AND SUBSISTENCE ALLOWANCES FOR APPLICANTS INVITED FOR INTERVIEWS**

- (a) If a representative has to utilize his or her personal motor vehicle he or she will be reimbursed at the same rates as stipulated in paragraph 2.2(e)(ii) of this policy.

## **6. AUTHORISATION**

### **6.1 For purposes of implementing this policy**

- a) Only the Municipal Manager may authorize any travel to be undertaken by Directors, but provided the expenses to be incurred are on the approved budget of the relevant department. Claims by other officials to be authorized by directors concerned.
- b) Only the Director Strategic and Corporate Services or the Municipal Manager may authorize payments to be made for persons invited for interviews, but provided that the expenses to be incurred are on the approved budget.
- c) Only the Executive Mayor together with the relevant director may authorize any travel to be undertaken by Holders of Public Office, or the municipal manager, but provided the expenses to be incurred are on the approved budget of the municipality.
- d) Only Directors may authorize any travel to be undertaken by employees in the respective Directorate, but provided the expenses to be incurred are on the approved budget of the municipality.
- e) As far as is practically possible, authorization for the above must be obtained prior to the occasion by any representative who travels on the business of the municipality.

An invitation to attend a workshop, meeting or related event is not an automatic authorization to attend such workshop or event. The required authorization must still be obtained from the municipal manager or executive mayor, executive committee or director as the case may be.

## **7. COUNCIL DELEGATES**

Council delegates or representatives to any conference, workshop or meeting must ensure that they arrive on time and attend until the conclusion of such event. If any representative fails to do so, the executive mayor or executive committee, the municipal manager or director as the case may be, may recover all allowances and disbursements paid to enable such delegate or representative to attend such event, provided that such delegate or representative is afforded the opportunity to submit reasons for not being able to be present from the commencement to conclusion of such event.



## **8. COMMITTEES ESTABLISHED AS A RESULT OF PRESCRIBED LEGISLATION**

Any committee established as a result of prescriptions in relevant legislation, will for the purposes of application of this policy, qualify for an allowance as determined by the Municipal Manager from time to time.

## **9. AUTHORITY**

Any deviation from this policy for whatsoever reason must be authorized by the Municipal Manager and in the case of the municipal manager, the Executive Mayor will authorize.

In any instance where a delegate did not attend business as approved in accordance with this policy, any expenditure incurred by the council should be refunded by the representative. All deviations in this regard must be approved by council.

## **10. TRAVEL AND SUBSISTENCE ALLOWANCE CLAIM FORM**

The official Travel and Subsistence Allowance claim form, as prescribed by Chief Financial Officer must be used with regard to Travel and Subsistence Allowance applications. The approved form should reach the creditors office 3 days before the intended day of departure in order for allowances to be paid to the representative timeously.